

Construction Contract

This agreement is made on the date written above our signatures between

Contractor Name: _____ (Contractor) and

Owner Name: _____ (Owner).

Contractor

Contractor Name: _____

Address: _____

Address: _____

City: _____, State: _____ Zip: _____

Work Phone Number: _____

Fax Number: _____

Email Address: _____

License Number: _____

Contractor Name: _____ will be referred to as Contractor throughout this agreement.

Owner

Owner Name: _____

Address: _____

Address: _____

City: _____, State: _____ Zip: _____

Day Phone Number: _____

Cell Phone Number: _____

Fax Number: _____

Email Address: _____

Owner Name: _____ will be referred to as Owner throughout this agreement.

Owner's Lender

Lender name: _____

Lender address: _____

Lender address: _____

Lender City: _____, State: _____ Zip: _____

Phone Number: _____

Owner's Representative

Owner will be represented by _____ (Owner's Representative) as described in this agreement.

Address: _____

Address: _____

City: _____, State: _____ Zip: _____

Day Phone Number: _____

Cell Phone Number: _____

Fax Number: _____

Email Address: _____

_____ will be referred to as Owner's Representative throughout this agreement.

The Construction Site

Legal description: _____

City: _____, California Zip: _____

I. Project Description

A. For a price identified below, Contractor agrees to complete a new residence (identified as the Project in this agreement) for Owner.

II. Contract Price

A. In addition to any other charges specified in this agreement, Owner agrees to pay Contractor \$_____ for completing the Work described as the Project.

III. Payment Per Unit of Work

A. In addition to other charges specified in this agreement, Owner agrees to pay Contractor \$_____ per _____ of _____.

1. If the actual quantity of _____ is more or less than 100, the Contract Price will be increased or reduced by \$_____ per _____ of _____ more or less than 100.

IV. Approximate Start Date

A. Work under this agreement will begin when requested by Owner in a notice to proceed.

V. Approximate Completion Date

A. Work under this agreement will be Substantially Completed within _____ Calendar Days after the date construction begins.

VI. Documents Incorporated

A. The Glossary of Terms which follows our signatures is incorporated into this contract as though included in full as part of this agreement.

B. This agreement incorporates by reference certain documents which define and describe the Work to be done. The following documents are incorporated as though included in full as part of this agreement.

1. Plans

Plans dated ____/____/____
Consisting of _____ sheet(s)
Prepared by _____
Last changed on ____/____/____
And further identified as _____

2. Specifications

Specifications dated ____/____/____
Consisting of _____ sheet(s)
Prepared by _____
Last changed on ____/____/____
And further identified as _____

VII. Documents Supplied to Contractor

A. Owner will furnish to Contractor at no cost:

- 1. _____ full sets of Plans and Specifications for all trades, on paper.
- 2. Contractor will distribute Contract Documents as required by Subcontractors.

VIII. Scope of Work

A. Contractor shall supervise and direct the Work and accepts responsibility for construction means, methods, techniques, sequences and procedures required to complete the Project in compliance with the Contract Documents.

B. Contractor shall make a best effort to adopt and implement policies and practices designed to minimize Work stoppages, slowdowns, disputes or strikes. Except as may be specifically provided elsewhere in this or a separate agreement, Contractor is not liable to Owner for damages suffered by Owner as a result of Work stoppages, slowdowns, disputes or strikes. Contractor shall allocate labor tasks among the various trades in accordance with local custom, rules, jurisdictional awards, regulations, and decisions, regardless of any classification by the Contract Documents.

IX. Project Superintendent

A. Contractor shall be available to supervise the Work on a regular basis or shall have a competent Representative available, either on the Job Site or by phone, with authority to give instructions and make decisions for Contractor.

X. Employee Relations

A. Contractor will ensure that personnel will be furnished and required to use safety equipment complying with OSHA standards, including hard hats, safety glasses with permanently attached side shields, body harnesses with shock cord lanyard, steel toe work boots, and appropriate protective equipment and clothing. Any employee who refuses to comply with OSHA standards shall be barred from the Job Site at the discretion of Contractor or Owner.

XI. Owner's Responsibilities

A. Owner will ensure that Owner's Representative responds in writing and with reasonable promptness to written requests from Contractor for (1) interpretation of the Plans or Specifications, or (2) other information relevant to completion of the Work. Contractor is authorized to rely on written responses from Owner's Representative.

XII. Authority of Owner's Representative

A. Owner's Representative has authority to administer the contract, make construction decisions on behalf of Owner, and is the primary authority on issues of compliance with the Drawings and Specifications, quality of workmanship, materials used, manner of performance, and rate of progress on the Project.

B. After the Contract Date, Owner shall make no change in the responsibilities or authority of Owner's Representative without consent of Contractor.

C. Owner's Representative shall have the right to visit the Project and view Work in progress at any time. Any Defective Work found or suspected, either as the result of a site visit or otherwise, shall be reported promptly to Contractor. No actions taken or statements made during site visits shall relieve Contractor of obligations described in the Contract Documents.

D. Communication between Contractor and Owner shall be initiated through Owner's Representative unless direct communication is required by Law or Contract Documents. Unless otherwise authorized by Contractor, communications between Owner's Representative and Subcontractors or Material Suppliers shall be through Contractor. Communications by Contractor and Subcontractors with Separate Contractors shall be through Owner's Representative. Communications between Contractor and

consultants to Owner's Representative shall be through Owner's Representative.

E. Owner's Representative shall have the authority to reject and order removed any portion of the Work which does not conform to the Contract Documents.

F. Owner's Representative shall have authority to require additional Inspection or testing of the Work regardless of the completion status.

G. Owner's Representative shall have authority to conduct Inspections in connection with Beneficial Occupancy and to determine the dates of Substantial Completion and Final Completion.

XIII. Representations by Contractor

A. Contractor has reported to Owner all errors, inconsistencies, ambiguities, and omissions found in the Plans and Specifications and has concluded that the Contract Documents define the Work required with enough detail to allow Contractor to complete the Project.

XIV. Payment Plan

A. Owner will pay to Contractor the Contract Price in installments consisting of progress payments and a final payment on completion of the Work.

XV. Progress Payments

A. Schedule of Progress Payments

1. Payments will equal the Contract Price (less any initial payment) times the percentage listed for each phase:

- 10 percent of the Contract Price after Breaking Ground
- 10 percent of the Contract Price after Foundation is Complete
- 15 percent of the Contract Price after Rough Framing is Complete
- 10 percent of the Contract Price after Rough Plumbing is Complete
- 10 percent of the Contract Price after Doors and Windows are Installed
- 10 percent of the Contract Price after Exterior Wall Finish is Installed
- 10 percent of the Contract Price after Cabinets and Counters are Installed
- 10 percent of the Contract Price after Mechanical and Electrical Pass Inspection
- 10 percent of the Contract Price after Interior Finish is Complete
- 5 percent of the Contract Price after the Project passes Final Inspection

2. Progress payments are due as each phase of the Work is completed.

B. Processing of Progress Payments

1. No later than 5 Calendar Days before a progress payment is due under the terms of this agreement, Contractor shall submit to Owner's Representative an application for payment itemizing charges for Work done in previous pay periods and for Work done in the current pay period, including adjustments to the Contract Price resulting from approved Change Orders or other changes required by Owner. Within a reasonable time after receipt of a request for payment, Owner's Representative will inform Contractor and Owner that a Certification of Payment has been issued covering all, part, or none of the payment request. If any portion of an application for payment is not approved, Contractor shall be entitled to payment on the portion approved.

2. Once a Certificate of Payment is issued by Owner's Representative, Owner is required to issue payment to Contractor in the amount approved and in compliance with the terms of this contract.

C. Approval of Progress Payments

1. Promptly on disapproval of all or any portion of a payment request, Owner shall provide to Contractor written notice of denial identifying for each line item denied: (1) The amount withheld, (2) The Defect or reason for withholding, (3) The remedial action required to cure the Defect, and (4) Documentation needed to reestablish an obligation of Owner for payment. Within 7 Calendar Days after Contractor cures the Defect and provides appropriate documentation that is approved by Owner's Representative, Owner shall pay Contractor within 5 Calendar Days for the value of line items thus approved.

D. Discharge of Liens and Payment of Subcontractors

1. Nothing in this contract shall be interpreted to (1) Require proceeds from payments to Contractor be placed in a separate account, (2) Create a fiduciary liability or tort liability on the part of the Contractor for breach of trust, (3) Entitle any person or entity to an award of punitive damages against Contractor for breach of payment obligations, or (4) Obligate Contractor to pay for incomplete or Defective Work or materials.

XVI. Payment for Materials Stored Off Site

A. Except as otherwise provided in the Contract Documents, cost of materials and equipment to be incorporated into the Work which are stored off the Job Site may be included in an application for payment.

XVII. Liens and Waivers

Mechanics' Lien Warning

Anyone who helps improve your property, but who is not paid, may record what is called a mechanics' lien on your property. A mechanics' lien is a claim, like a mortgage or home equity loan, made against your property and recorded with the county recorder.

Even if you pay your contractor in full, unpaid subcontractors, suppliers, and laborers who helped to improve your property may record mechanics' liens and sue you in court to foreclose the lien. If a court finds the lien is valid, you could be forced to pay twice or have a court officer sell your home to pay the lien. Liens can also affect your credit.

To preserve their right to record a lien, each subcontractor and material supplier must provide you with a document called a '20-Day Preliminary Notice'. This notice is not a lien. The purpose of the notice is to let you know that the person who sends you the notice has the right to record a lien on your property if he or she is not paid.

BE CAREFUL. The Preliminary Notice can be sent up to 20 days after the subcontractor starts work or the supplier provides material. This can be a big problem if you pay your contractor before you have received the Preliminary Notices.

You will not get Preliminary Notices from your prime contractor or from laborers who work on your project. The law assumes that you already know they are improving your property.

PROTECT YOURSELF FROM LIENS. You can protect yourself from liens by getting a list from your contractor of all the subcontractors and material suppliers that work on your project. Find out from your contractor when these subcontractors started work and when these suppliers delivered goods or materials. Then wait 20 days, paying attention to the Preliminary Notices you receive.

PAY WITH JOINT CHECKS. One way to protect yourself is to pay with a joint check. When your contractor tells you it is time to pay for the work of a subcontractor or supplier who has provided you with a Preliminary Notice, write a joint check payable to both the contractor and the subcontractor or material supplier.

For other ways to prevent liens, visit CSLB's Web site at www.cslb.ca.gov or call CSLB at 800-321-CSLB (2752).

REMEMBER, IF YOU DO NOTHING, YOU RISK HAVING A LIEN PLACED ON YOUR HOME.

This can mean that you may have to pay twice, or face the forced sale of your home to pay what you owe.

XVIII. Grounds for Withholding Payment

- A. Owner may withhold payment due Contractor for Defective Work which has not been corrected in compliance with terms of this agreement.
- B. Grounds entitling Owner to withhold certain amounts due Contractor under this agreement shall not relieve Owner from the obligation to pay Contractor other amounts then due and shall not relieve Owner of the obligation to pay in full when the reason for withholding payment no longer exists.
- C. Should any mediation, arbitration or court proceeding determine that Owner was not justified in withholding payment to Contractor, the amount wrongfully withheld shall be treated as an unpaid balance and accrue interest as provided by Law or this contract from the Calendar Day payment was wrongfully withheld.

XIX. Final Payment

- A. Contractor will submit an application for final payment and will notify Owner's Representative when the Work has been completed. Owner's Representative will issue a certificate of completion on determination that the Project is complete and in compliance with the Contract Documents. When the certificate of completion is issued, the entire unpaid balance of the contract amount, including any Retainage, is payable to Contractor.
- B. Making of final payment constitutes waiver of all Claims by Owner against Contractor except those Claims previously made in writing and delivered to Contractor and those obligations otherwise provided by this agreement or by operation of Law.
- C. The acceptance of final payment by Contractor shall constitute a release by Contractor of known Claims against Owner arising out of this contract except those Claims which (1) Have been made in writing and identified by Contractor as not having been settled at that time, or (2) Are based on fraud or misconduct by Owner.
- D. Owner will notify Contractor of the date when notice of Final Completion is recorded. If Owner takes possession and occupancy of the Project without recording a notice of Final Completion, Owner hereby appoints Contractor as agent to sign and record a notice of completion of the Project.

XX. Changes in the Work

- A. Except as required by changes in the Prime Contract between Owner and Contractor, no change to this contract (including Modification, clarification, interpretation or correction of the Plans or Specifications) shall be made without mutual agreement and a written Change Order signed by Contractor and Owner identifying the change, the cost of the change, and the effect on Project Schedule, if any.
- B. Any change in Plans, Specifications or Contract Documents necessary to conform to existing or future Laws, codes, ordinances or regulations shall be considered Extra Work.
- C. Changes in the Work required due to defects or inconsistencies in Plans or Specifications or other Contract Documents shall be considered Extra Work.

- D. Any act, error, or omission by Owner or anyone acting on behalf of Owner which increases the cost of completing the Work or delays the Contract Completion Date shall be considered Extra Work.
- E. The price for Work done under a Change Order shall be the most Similar cost published in the most recent edition of the *National Construction Estimator* (or equivalent) plus supervision, taxes, insurance, overhead and a reasonable profit. Profit and overhead (including Job Site overhead, off-site overhead and overhead caused by delay) shall be calculated as 25 percent of the cost of Work performed by crews of Contractor and 15 percent for Work performed by any Subcontractor.
- F. Any increase in the cost to Contractor of labor, materials, equipment or Subcontract Work between the time the contract is executed and the time the Work is done shall be considered Extra Work so long as the increase is beyond control of Contractor. Contractor shall provide detailed records showing each cost change claimed.
- G. No Claim for payment for Extra Work and no claim for additional time to complete the Work shall be recognized under this agreement without a written Change Order or a notice of Claim. Failure by Contractor to assert the right to a written Change Order or a Claim within 30 Calendar Days after beginning Work on a change in the Work shall constitute waiver by Contractor of the right to additional compensation and waiver of the right to additional time to complete a change in the Work. No act or omission of either Contractor or Owner shall be interpreted as waiver of the Requirement for a written Change Order or notice of Claim, nor shall any Claim that Owner has been unjustly enriched support a Claim for a constructive Change Order. The provisions of this paragraph are the essence of this agreement.
- H. Failure of Contractor and Owner to agree on the terms of a Change Order shall be resolved under the provisions of this agreement which cover Claims and disputes.
- I. Should Contractor and Owner fail to agree promptly on the terms of a Change Order, Contractor shall be paid, pending resolution of the dispute, the portion of the cost of the change not in dispute, including the costs of time and materials required to execute the change. Payments required under this paragraph shall be made as the Work progresses, concurrently with progress payments.

XXI. Cooperation of the Parties

- A. Contractor shall cooperate with persons employed by Owner and coordinate Work with others on the site. In the case of disagreements as to the sequence of Work, use of space, responsibility for damage, or other dispute related to the Work, Contractor and those working for Contractor shall abide by the decision of Owner's Representative on the procedure to be followed.

XXII. Job Conferences

- A. Prior to the start of construction, Contractor and Owner shall hold a pre-construction conference to identify: (1) The people who will be involved in construction of the Project, their chain of authority, addresses, telephone numbers, fax numbers and email addresses to be used when requesting information or giving notices, (2) The proposed construction Schedule, (3) Procedures for approving Shop Drawings, product data and Submittals, (4) Procedures for handling Change Orders, (5) Construction Site Requirements such as dust and erosion control, storm water management, Project signs, clean up and housekeeping, temporary facilities, utilities, security, and traffic, (6) Safety Requirements and procedures, (7) Quality control, testing, Inspections and notice Requirements, (8) Inspection procedures, and (9) The handling of payment requests.

XXIII. Contractor Claims

- A. Contractor and Owner agree to make a good faith effort to resolve all Claims that arise under this

agreement and shall seek the opinion of expert disinterested parties on the validity of Claims, when appropriate. Claims not resolved to the mutual satisfaction of Contractor and Owner shall be resolved under the provisions of this agreement covering dispute resolution.

XXIV. Notice of Claims

A. No Claim by Contractor shall be considered unless Contractor provides Owner or Owner's Representative with a notice that there will be a Claim for additional compensation or an extension of time. This notice of Claim shall be made no less than 5 Calendar Days after Contractor recognizes or should have recognized that circumstances exist which support such a Claim. The notice of Claim shall include: (1) The date of the notice, (2) The date the basis for the Claim was discovered, (3) The circumstances that support the Claim, and (4) The estimated additional cost to Owner or additional time required to complete the Project.

B. If the Claim involves Extra Work, Contractor shall maintain detailed records which show each expense incurred, including payroll records and receipts for Subcontracted Work, materials and equipment. These detailed records shall be made available to Owner for verification while Work subject to the Claim is being performed.

C. The amount Claimed by Contractor shall be calculated in accord with provisions in this contract on charges for Extra Work.

XXV. Arbitration

A. Any controversy or Claim arising out of or relating to this contract or contract warranty or the breach thereof which cannot be resolved by mediations shall be settled by arbitration administered by the American Arbitration Association under its Construction Industry Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

B. Contractor and Owner agree to include in each contract for construction or design services on the Project a clause which requires that disputes under that contract be settled by arbitration administered by the American Arbitration Association under its Construction Industry Arbitration Rules.

C. If a Claimant in arbitration recovers less than 50 percent of the amount demanded in arbitration, Contractor and Owner agree that the Claimant shall pay all costs in arbitration, including the arbitrator's fees and the attorney's fees of the opposing Party.

ARBITRATION OF DISPUTES

NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE BUSINESS AND PROFESSIONS CODE OR OTHER APPLICABLE LAWS. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF

DISPUTES' PROVISION TO NEUTRAL ARBITRATION.

Owner's Initials _____ **Owner's Initials** _____

Contractor's Initials _____

XXVI. Insurance

A. General Requirements

1. Contractor shall carry workers' compensation insurance and public liability insurance as required by Law and regulation for the protection of Contractor and Owner during progress of the Work.

XXVII. Substantial Completion

A. When, in the opinion of Contractor, the Work is Substantially Complete, Contractor shall prepare a preliminary Punch List of Work remaining to be done and deliver that Punch List to Owner's Representative with a request for evaluation of Substantial Completion. If, in the opinion of Owner's Representative, items on the preliminary Punch List are consistent with Substantial Completion, Owner's Representative shall conduct an Inspection of the Work to evaluate compliance with the Contract Documents.

B. The Project shall not be considered Substantially Complete until: (1) All utilities and services are connected and operating, (2) All installed equipment has been tested and found to be in working condition, (3) Contractor has completed performance tests required by the Contract Documents, (4) Reports, maintenance manuals, warranties, keys, control devices, and Drawings required by the Contract Documents have been delivered to Owner, (5) Debris, waste, and excess materials have been removed from the site, and (6) Final Inspection has been passed and occupancy has been approved by the public authority.

C. Any acknowledgment of Substantial Completion may be annotated to indicate that it is not applicable to specified portions of the Work.

D. If, after Inspection, the Project does not qualify as Substantially Complete, Owner or Owner's Representative shall provide Contractor with a written list of the Work found to be: (1) Incomplete, (2) Out of compliance with the Contract Documents, or (3) Defective in operation or workmanship. Contractor shall complete or correct all Work listed prior to requesting a subsequent Inspection for Substantial Completion.

E. Before Owner takes possession or occupancy of the Project, Contractor shall receive a comprehensive Punch List of discrepancies to be corrected or Work to be finished by Contractor and a date for completing this Work. Contractor shall complete and correct items on the Punch List by the designated date.

F. The Punch List given to Contractor is a complete and final list of Defective or incomplete Work on the Project. Owner shall be deemed to have accepted Work not on the Punch List. Nothing in this paragraph shall be interpreted as relieving Contractor of the obligation to meet warranty and call-back obligations.

G. Owner's Representative will prepare a certificate of Substantial Completion for signature by Owner and Contractor when the Project or a specific portion of the Project is ready for occupancy. Except as otherwise provided in the Contract Documents, signing of the certificate of completion shall: (1) Transfer to Owner responsibility for maintenance, safety, utility expense, controlling access at the site, and (2) Begin running of any warranty or call-back period on the Project.



Notice required by California Business and Professions Code § 7030:

Contractors are required by law to be licensed and regulated by the Contractors State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within 10 years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors State License Board, P.O. Box 26000, Sacramento, CA 95826.

Signatures

The signatures that follow constitute confirmation by those signing that they have examined and understand the Contract Documents and agree to be bound by the terms of these documents.

Owner has the right to request a Performance and Payment Bond on the Project which ensures the Project will be completed according to this agreement and that liens on this job are discharged in return for payment in full by Owner.

This agreement is entered into as of the date written below.

Owner Name: _____, **Owner**

_____/_____/_____
(Signature) (Date)

(Printed Name)

_____/_____/_____
(Signature) (Date)

(Printed Name)

Contractor Name: _____, **Contractor**

_____/_____/_____
(Signature) (Date)

(Printed Name and Title)



Information about Commercial General Liability Insurance

Did your contractor tell you whether he or she carries Commercial General Liability Insurance?

Contractors building single-family residences for owners who intend to occupy the home for at least a year are required by law to tell you whether or not they carry Commercial General Liability Insurance. This written statement must accompany the contract.

Is this insurance required?

No. But the Contractors State License Board strongly recommends that all contractors carry it. The Board cautions you to evaluate the risk to your family and property when you hire a contractor who is not insured. Ask yourself, if something went wrong, would this contractor be able to cover losses ordinarily covered by insurance?

How can you make sure the contractor is insured?

If he or she is insured, the contractor is required by law to provide you with the name and telephone number of the insurance company. Check with the insurance company to verify that the contractor's insurance coverage will cover your project.

What about a contractor who is self-insured?

A self-insured contractor has made a business decision to be personally responsible for losses that would ordinarily be covered by insurance. Before contracting with a self-insured contractor, ask yourself, if something went wrong, would this contractor be able to cover losses that should be covered by insurance?

Contractor carries Commercial General Liability Insurance.

The insurance company is _____

You may call the insurance company at phone number _____ to verify coverage.

For more information about Commercial General Liability Insurance, contact the Contractors State License Board at www.cslb.ca.gov or call 1-800-321-CSLB (2752).

Glossary of Terms

Beneficial Occupancy refers to Owner's use of the project premises after Substantial Completion but prior to Final Completion. Beneficial Occupancy may occur when the project or some portion is sufficiently complete and systems operational such that the Owner could, after obtaining necessary approvals and certificates, occupy and utilize the space for its intended purpose. The time limit for warranties applicable to that portion of the Work begin on the date the Owner begins Beneficial Occupancy, unless otherwise specified in this Agreement.

Bond means the security offered by a licensed surety company which may be used to satisfy a claim of failure to perform obligations undertaken in this Agreement.

Calendar Day means any day shown on the calendar beginning at midnight and ending at midnight the following day. Contrast the term Work Day which excludes Saturdays, Sundays and state-recognized holidays.

Certification of Payment is acknowledgment by someone not a party to this Agreement that Contractor is entitled to payment for work completed.

Change Order is a written modification of the Contract Price (including all claims for direct, indirect and consequential damages and costs of delay), Time for Completion, and Scope of Work under this Agreement. A Change Order, once signed by all parties, is incorporated into and becomes a part of the Contract Documents.

Claim means a demand or assertion by one of the parties to this Agreement seeking, as a matter of right, modification, adjustment or interpretation of contract terms, payment of money, extension of time or other relief.

Contract Completion Date means the day by which the Work must be substantially complete.

Contract Date is the day on which the contract becomes binding between Contractor and Owner.

Contract Documents are this Agreement and all documents incorporated by reference into this Agreement.

Contract Price is the amount which will become due in exchange for work performed under this Agreement. Contract Price includes allowances for purchased materials and equipment and may be modified by a Change Order or contract modification. The Contract Price may be paid in one or more installments, including an Initial Payment at or before the start of work, Progress Payments as work is completed, and a Final Payment on final acceptance of the work. Payment Period is the time elapsed between applications for progress payments or prior to the first application for progress payment.

Contract Schedule is a graphical representation of a practical plan to complete Work within the

Contract Time.

Contractor is an individual, partnership, firm, corporation, joint venture, or other legal entity undertaking the execution of the Work under the terms of this Agreement.

Contractor's Representative is the individual designated by Contractor to receive all communications under the Contract Documents and with the authority to bind the Contractor with respect to decisions made and actions taken pursuant to the Contract Documents.

Defective Work means construction done under this Agreement that is unsatisfactory, faulty, omitted, incomplete, deficient, or does not conform to the requirements of the Contract Documents, directives of Owner's Representative, or the requirements of an inspection, reference standard, test, or approval specified in the Contract Documents.

Drawings (also called plans or prints) are scale representations of the shape, location, character and dimensions of Work to be completed under this contract. Drawings include plan views, elevation views, transverse and longitudinal sections, large and small scale sections and details, isometrics, diagrams, schedules, tables, data and pictures which depict the completed Project. A group of drawings adequate to complete construction of the Project may be referred to as a plan set. Drawings can be either paper or electronic media.

Extra Work means any change, interpretation, clarification or correction in the Contract Documents or in applicable law, ordinance or regulation which would increase or decrease the quantity of work, delay, suspend or interfere with the work, require an addition to or omission from the work, change the character, quality or nature of any part of the work or material used in the work, change levels, lines, positions or dimensions of any part of the work, require demolition or removal of any work completed under this Agreement, extend or amend the normal work day, alter the construction schedule or require completion of any part of the work at a time other than provided by this Contract when originally made.

Final Completion is the date of Owner's acceptance of the Work as fully performed according to the Contract Documents.

Furnish means to supply and deliver to the job site.

Inspection is any review of the Project, including a visual review of the Work completed to ascertain compliance with Contract Documents, building codes and construction standards.

Install means to secure in position in compliance with the Contract Documents and includes unloading materials, supplying all necessary equipment and rigs to do the work and performing functional tests which demonstrate fitness for the intended purpose.

Job Site is the address or location of the Project.

Law means federal or state statutes, municipal ordinances, building codes, regulations adopted pursuant

to statute, executive orders, official interpretations, and other rules and directives issued by government.

Material Supplier means any manufacturer, fabricator, distributor, materialman or vendor who provides material for the Project but does not provide on-site labor.

Modification is a written amendment to the Contract signed by both parties.

Party (to this contract) means a person or business organization which has an obligation to perform under the terms of this contract.

Plans (also called drawings or prints) are scale representations of the shape, location, character and dimensions of Work to be completed under this contract. Plans include plan views, elevation views, transverse and longitudinal sections, large and small scale sections and details, isometrics, diagrams, schedules, tables, data and pictures which depict the completed project. A group of plans adequate to complete construction of the Project may be referred to as a plan set. Plans can be either paper or electronic media.

Prime Contract is a written agreement between Contractor and Owner which binds Contractor to furnish labor, equipment, or materials or perform certain work for a price to be paid by Owner.

Project means Work to be completed in accord with the Contract Documents. Work at the Job Site may include other projects to be completed by the Owner or other contractors working under other agreements.

Punch List is a comprehensive list of incomplete, defective or incorrect Work yet to be completed or which does not comply with Contract Documents. A Punch List may be prepared by the Contractor, Subcontractor, Design Professional or Owner. An initial Punch List will be prepared before application for Substantial Completion. A Close-out Punch List will be prepared before Final Completion.

Requirements means, in addition to obligations, responsibilities and limitations set out in the Contract Documents, the obligations, responsibilities and limitations imposed by law, rules, orders, ordinances, regulations, statutes, codes and executive orders of governmental authorities or fire rating bureaus.

Retainage is a portion of each progress payment temporarily held back or retained by the owner. Accumulated retainage is released to Contractor on satisfactory completion of the work.

Separate Contractor means a person or firm working under a different contract but on the same site and at the same time as work will be done under this contract.

Shop Drawings are diagrams, illustrations, pictures, schedules, performance charts, layouts, schematics, descriptive literature, schedules, performance and test data, and other data which are prepared by the Contractor or a Subcontractor, manufacturer, supplier or distributor, and which illustrate or describe some portion of the Work to be completed in compliance with the Contract Documents. Once submitted to the approval authority and approved, Shop Drawings establish standards for

completion of work on Project.

Similar means having a like kind, quality and characteristics. Similar is not to be construed as meaning identical or by the same manufacturer.

Specifications (also called specs) are the part of the Contract Documents which provide descriptions of materials, equipment, construction systems, technique and workmanship to be used on the Project. Specifications are both instructions to be followed by the Contractor and Subcontractors and a reference for the Building Official to evaluate code compliance.

Subcontract is a written agreement between a specialty contractor and General Contractor. Terms of the subcontract require the specialty contractor to complete some portion of the work General Contractor is obligated to perform under another agreement, usually with the Owner.

Subcontractor is any person or business entity under contract to a general contractor to perform some portion of the work general contractor is obligated to complete under a contract with the Owner. Subcontractor is an independent contractor performing services for another contractor rather than for the Owner. A person or organization providing supplies or materials for the Project but no job site labor is not a Subcontractor.

Submittals demonstrate the way by which the Contractor proposes to conform to the requirements of the Contract Documents. Submittals are shop drawings (diagrams, illustrations, pictures, schedules, performance charts, layouts, schematics, descriptive literature, schedules, performance and test data, and other data) required by the Contract Documents which are prepared for the Contractor to depict some portion of the Work. Submittals are delivered to the Owner for approval or disapproval by the Owner prior to purchase or installation.

Substantial Completion means the Project or a designated portion of the Project is nearly in compliance with the Contract Documents and is sufficiently complete to be considered fully operational in all its components and is fit for the intended use. Substantial Completion is reached when a limited number of non-conforming or defective items on a Punch List remain to be completed. Normally, a Project or portion of a Project cannot be considered Substantially Complete until (1) all utilities and services are connected and working, (2) all equipment is installed and in acceptable working condition, (3) additional activity by the Contractor to correct items on the Punch List will not prevent or disrupt use of the facility, and, (4) a certificate of occupancy has been issued by the appropriate authority.

Work means all labor, material, equipment, tools, transportation, permanent and temporary utilities, connections, provisions for safety and management services required to complete the Project in compliance with the Contract Documents. Work may constitute the whole or a part of the Project. Work is to be performed in a safe, expeditious, orderly and professional manner in keeping with current standards of the industry. Work includes everything that is or should be evident to a skilled construction professional after careful examination of the Contract Documents and the Job Site.